GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1804
ANSWERED ON:10.03.2017
Automated Teller Machines
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Will the Minister of FINANCE be pleased to state:

(a) whether the Public/Private Sector Banks proposes to reduce the free withdrawals from Automated Teller Machines (ATMs) to just three and if so, the details thereof, bank-wise;
(b) whether the transactions through ATMs has fallen down considerably and the costs will rise making the ATM business unviable and if so, the details thereof;
(c) whether the Government has framed any policy/guidelines for installation of ATMs by the banks and post offices in the country and if so, the details thereof;
(d) whether the Government proposes to expand the coverage and facilities of ATMs in rural and backward areas and if so, the details thereof and the number of ATMs installed/functioning along with the number of ATMs proposed to be opened during the current year, bank and State/UT-wise; and
(e) the steps taken/being taken by the Government to extend ATMs facilities in the entire country in this regard particularly in rural areas?

Answer

The Minister of State in the Ministry of Finance

(a) Reserve Bank of India (RBI) on August 14, 2014 instructed banks to provide a minimum of three free transactions on other bank ATMs every month in six metropolitan centres (Delhi, Kolkata, Mumbai, Chennai, Hyderabad & Bengaluru). In other places, a minimum of five free transactions are provided to savings bank accountholders every month on other bank ATMs.

In addition, a minimum of five free ATM transactions every month is provided to all saving bank accountholders of the bank on bank's own ATM. The free transactions include financial as well as non-financial ATM transactions. Moreover, this is a minimum cap. Banks may provide more number of free ATM transactions to its saving bank accountholders.
(b) The number of transactions in April-June 2016 was 2205.9 million, in July-September 2016 was 2253.9 million and October-December 2016 was 1995.3 million. The number of ATM transactions has increased except for the quarter ended in December 2016, which was mainly due to the demonetization of Rs. 500/- and Rs. 1000/- with effect from 8.11.2016. However transaction on ATM has further picked up in January, 2017.
(c) RBI has not issued any instructions to banks regarding the geographical location and number of ATMs. It has, however, conveyed its approval on enabling two-way inter-operability of the ATMs installed by Department of Post (DoP) subject to certain conditions.
(d) RBI has not issued any instructions to banks regarding the geographical location and number of ATMs. Installation of ATM is Banks' decision based on viability. The number of deployment of ATMs is provided at the Annexure.
(e) RBI has issued instructions on 27 August 2015 to banks to raise the limit for cash withdrawal at POS (for debit cards and open system prepaid cards issued by banks in India) from Rs.1,000 to Rs. 2,000 per day in Tier III to VI centres with immediate effect. In addition to ATMs banks have provided Micro-ATMs to the Bank Mitras working in the rural areas to facilitate banking transaction for rural population.
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Annexure:
Table 1: Number of ATMs / WLAs installed over the year:

As on	No. of ATMs of Public Sector Banks	No. of ATMs of Scheduled Commercial Banks	No. of WLAs
31.3.2016	142459	199099	12962
30.6.2016	143947	201334	13857
31.09.2016	145654	204218	14324
31.12.2016	146891	205860#	13933

out of the total ATMs, 156 ATMs are deployed overseas by State Bank of India

Table 2: Region wise deployment of ATMs for the quarter ended December, 2016

	Metro	Urban	Semi Urban	Rural	Total
Schedule Commercial Banks	32804	42587	41371	29973	146735
Private Sector Banks	24439	15487	13453	4620	57999

Foreign Banks 724 202 16 28 970
Banks 57967 58276 54840 34621 205704
WLAs 1897 1647 4530 5859 13933
Grand Total 59864 59923 59370 40480 219637